PROVISIONAL

E/2003/SR.40
22 July 2003

Original: ENGLISH

ECONOMIC AND SOCIAL COUNCIL

Substantive session of 2003

PROVISIONAL SUMMARY RECORD OF THE 40th MEETING

Held at the Palais des Nations, Geneva,
on Friday, 18 July 2003, at 10 a.m.

President: Ms. RASI (Finland)
(Vice-President)

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GE.03-63342 (E) 210703 220703

In the absence of Mr. Rosenthal (Guatemala), Ms. Rasi (Finland), Vice-President, took the Chair.

The meeting was called to order at 10.10 a.m.

REGIONAL COOPERATION (agenda item 10) (E/2003/15 and Add.1, 16-20 and 45)

Panel discussion on "Development dimensions of trade negotiations: a regional perspective"

Mrs. SCHMÖGNEROVA (Executive Secretary of the Economic Commission for Europe (ECE)), Panellist, said that regional cooperation in trade was already very advanced in the ECE region, where trade arrangements within the European Union and among the signatories of the North American Free Trade Agreement (NAFTA) had increased the prosperity of member countries as well as their integration into the global economy. However, if the benefits of trade facilitation were to be spread more fairly, developing countries and countries with economies in transition urgently needed technical assistance and help in capacity-building.

Accession to the World Trade Organization (WTO) was currently a major concern for several States members of the ECE, but they faced a number of specific problems. In the first place, the formerly centrally-planned economies had virtually no markets for goods and services and their regulatory structure was underdeveloped. Secondly, none of the countries with economies in transition had ever benefited from the status of a developing country, despite having a very low per capita gross domestic product (GDP), and their Governments faced the difficult task of persuading their electorates of the long-term benefits of WTO membership. Thirdly, the acceding countries needed to negotiate a transition period in order to mitigate the short-term negative consequences of WTO accession while being careful not to concentrate on protecting the interests of a few businesses in uncompetitive sectors.

Most countries of the Commonwealth of Independent States (CIS) had signed bilateral and regional trade agreements and some of them were moving towards the creation of a "joint economic space", but it was important to remember that all such agreements needed to be compatible with WTO principles, as the countries concerned were candidates for accession to the WTO. Moreover, accession to the WTO by one party to such agreements could cause

problems if, for example, that party was required to lower certain tariffs. Greater cooperation between the parties to bilateral and regional trade agreements would increase the usefulness of the agreements, and also increase the negotiating power of the applicants for WTO membership.

The trade implications of the enlargement of the European Union were generally positive for the countries in the ECE region. The general view was that, if the enlargement boosted economic performance in the European Union as a whole, it would have an expansionary impact on the imports from non-acceding countries. The extent of that impact would depend on the latter's share of total European Union imports and their ability to respond to increased demand. In general, tariff levels in the new members would fall significantly, although most of the acceding countries would have to raise their tariffs on fishery products.

Accession to the European Union would also require the termination of a number of bilateral preferential trade agreements between the new members and non-acceding countries. In several cases, enlargement would disrupt cross-border trade as a result of the introduction of the new European Union visa regime. However, new arrangements between the European Union and its neighbours in Eastern Europe and the Mediterranean should limit the negative consequences of the enlargement for the non-acceding countries.

The simultaneous negotiation of trade agreements at the bilateral and multilateral levels posed a number of challenges to countries with emerging market economies. It was important to ensure that the commitments entered into at different levels were mutually supportive and consistent, to encourage more dynamic interaction between the private and the public sector in countries with emerging market economies and to pay special attention to capacity-building.

Mr. KIM Hak-su (Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP)), Panellist, said that the recent outbreak of severe acute respiratory syndrome (SARS) had caused huge economic losses in the ESCAP region, but the region was keenly aware of the need to take advantage of the opportunities presented by globalization and, in particular, by the current round of WTO negotiations. The World Bank estimated that the elimination of restrictions on agricultural trade and fewer restrictions on temporary inflows of workers from developing countries into developed countries would have an

enormous impact on the income of the developing countries. As over three quarters of the world's absolute poor lived in the ESCAP region, a successful outcome to those negotiations was perhaps the most critical economic challenge facing the Governments of the region.

Unfortunately, one WTO negotiating deadline after another had been missed, eroding the credibility of the negotiating process. Progress on special and differential treatment, textiles and access to generic medicines was sorely needed, and it was hard to see how the current deadlock could be broken if there was no breakthrough in the area of agriculture. The elimination of trade-distorting subsidies was vital if progress was to be made. He welcomed the European Union's recent decision partially to decouple agricultural subsidies from production levels, but noted that deeply-entrenched distortions remained in such key areas as cereals, sugar and beef.

Countries in the ESCAP region experienced the WTO accession process as long and difficult. The domestic reform expected of new members often went far beyond the commitments of the existing members, and it was detrimental to vulnerable developing countries to require them to draw up a time schedule that placed their social and institutional capacity under such extreme pressure. The developing countries themselves needed a better understanding of the commitments, costs and benefits of WTO membership. He called on countries with long experience of WTO procedures to examine ways in which closer cooperation among all members of ESCAP could facilitate the accession process for countries from the region.

On the positive side, an unprecedented set of generously funded training activities was being implemented in the ESCAP region. Technical cooperation and capacity-building were key elements in the rules-based multilateral trading system, which was the developing countries' best hope of improving trade with each other and enjoying peaceful relations.

Mr. OCAMPO (Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC)), Panellist, said that, given the paramount role of technological development as the engine of economic growth, the main function of the multilateral trading system should be to facilitate the transfer of technology from the industrialized countries to the rest of the world and, in the long term, to ensure that more countries were in a position to become technological innovators. Unfortunately, protectionist

barriers were highest in the sectors where technological standardization was most likely to benefit developing countries - the agricultural, mining and manufacturing sectors. In addition, the concept of special and differential treatment developed by the United Nations Conference on Trade and Development (UNCTAD) to speed up the transfer of technology had been watered down, not least by the outcome of the Uruguay Round. Clarification of the role of special and differential treatment in the current multilateral trading system was as important to the developing countries as the lowering of trade barriers.

Another issue of increasing concern to the ECLAC countries was the gap between the growth in their exports since they had opened up their markets and the growth in their GDP. In the 1990s, their export growth had averaged 9 per cent a year, whereas their GDP had increased by just under 3 per cent a year. There were two possible reasons for that gap: on the one hand, the fall in world prices for agricultural products such as coffee had hindered overall economic growth and, on the other, much of the growth in exports depended on imports of raw materials and inputs, with relatively little national input. Those problems needed to be specifically addressed within the multilateral trading system with a view to developing policies that would strengthen the linkage between a country's export sector and the rest of its economy.

The ECLAC countries were extremely concerned at the lack of progress in the current round of trade talks, particularly in the area of agriculture. While the recent changes by the European Union to its common agricultural policy (CAP) were welcome, they did not go far enough. A new approach to the whole issue of agricultural subsidies was needed. It had been observed that, even when countries fulfilled their commitments under the Uruguay Round to reduce subsidies in general, agricultural subsidies had not been reduced. There was a growing body of experts who considered that it was not only production-linked subsidies that distorted trade and that it would be advisable to remove all agricultural subsidies, not just those related to production. Progress also needed to be made in the trade talks with regard to intellectual property rights, especially in the area of public health, where the wider issue still to be addressed concerned the public and private nature of knowledge.

The effects of bilateral and regional trade agreements on multilateral arrangements needed to be studied more closely. Recalling that the General Agreement on Tariffs and Trade (GATT), the precursor of the WTO, had initially been devised to avoid the distortions resulting

from the application of a range of tariffs on imports in terms of their origin, he proposed that a closer examination be made of the concept of most-favoured-nation (MFN) status, a concept introduced with a view to encouraging regional integration. The current proliferation of trade agreements was actually more of a hindrance than a help to regional integration in Latin America and the Caribbean.

Ms. TALLAWY (Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA)), Panellist, said that the relatively rapid increase in the number of Arab countries joining the WTO signified a radical new approach to world economic development. Furthermore, as a result of a growing number of intraregional partnerships, non-oil intraregional trade had increased in the 1990s at an annual rate of 11 per cent, twice the rate recorded in the 1980s. Negotiations to liberalize trade in services among Arab countries were advancing through an initiative developed by the Government of Lebanon. In addition, the Gulf Cooperation Council was expected to develop a customs union and several countries in the region had entered into bilateral trade agreements. Those intraregional developments were likely to pave the way for a smoother integration into the world economy. The fact that cooperation agreements with the Europe of the 1970s had more recently been transformed into partnership agreements was another trend that might facilitate integration.

ESCWA had played an instrumental role in assisting its member countries to achieve regional integration and respond to globalization. Its restructuring in 2002 had involved the establishment of two new subprogrammes, one to address globalization and regional integration and the other information and communication technologies. There had been a positive response to the integration efforts of ESCWA at the sectoral level in transport, energy, environment and trade.

The Arab region should do more to participate more fully and more appropriately in wider trading arrangements. There were growing fears that bilateral trading arrangements with Europe and the United States of America might create the unintended hub-spoke phenomenon, whereby hub countries had more trade access to each trading partner's market than the Arab partners had to each other. Encouraging and promoting greater Arab economic integration and coordination was one way of avoiding that situation.

The Arab countries had, for a long time, suffered from profound political instability. The unresolved conflict between Palestine and Israel, the war in Iraq and the sanctions against some countries had, without doubt, hampered the region's development and its integration into the international economy. It was to be hoped that all countries would work together to resolve those conflicts peacefully.

Mr. MWALWANDA (Economic Commission for Africa (ECA)), Panellist, said that trade could contribute to Africa's development efforts in a variety of ways. The perceived benefits of trade were not automatic, however; they accrued only to the countries that had taken steps to exploit them. One of the challenges currently facing the African countries was how to reap the benefits of trade while minimizing the risks.

The events of the previous three decades had shown that both internal factors - such as the negative effects of domestic economic policies and the lack of progress in regional integration efforts - and external factors - including the unfortunate and costly barriers imposed by the developed countries - had limited Africa's ability to participate effectively in global trade. According to the WTO, the abolition of agricultural subsidies in the Organisation for Economic Cooperation and Development (OECD) countries would provide the developing countries with three times their current official development assistance (ODA) receipts. Africans were particularly concerned about the impact of cotton subsidies in the OECD countries on Africa's livelihood.

At a recent conference organized by the African Union, African trade ministers had expressed serious concern at the lack of progress in the current round of multilateral trade negotiations, as evidenced by missed deadlines on key issues. They had also had concerns about the unequal representation of African countries, and developing countries in general, at the WTO and their exclusion from the decision-making process on key issues of interest to them. The ministers had therefore called on WTO members to inject momentum into the negotiations to ensure that the WTO Ministerial Conference in Cancún would yield positive results for African countries and make the Doha Work Programme a genuine development agenda.

African countries needed technical assistance and capacity-building in order to adjust to new trade rules, implement obligations and exercise their right to WTO membership. ECA had

taken up that challenge, inter alia, by establishing a new trade division to undertake in-depth policy studies on trade-related issues with the aim of highlighting opportunities and challenges at the regional and global levels. Arrangements had been made with the Canadian Government to establish an African Trade Policy Centre to train African trade negotiators. Furthermore, a liaison office had recently been set up in Geneva to support such negotiators.

On the eve of the Cancún Ministerial Conference, the priorities of Africa were clear and urgent. Among them were the need to make progress in dealing effectively with the issue of OECD subsidies and their impact on Africa's agriculture; the need to deal effectively with the issue of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and public health so as to ensure that the people of Africa had access to affordable medicines; the need to provide policy space for African countries to allow them to promote their manufacturing and industrial sectors; the need to achieve progress in operationalizing the provisions of special and differential treatment within the WTO; and the need to facilitate the accession of the least developed countries to the WTO. If all partners approached the talks in the spirit of Doha, Cancún would mark the beginning of a brighter future for all.

Mr. BALAREZO (Peru) said that one of the fundamental messages to emerge from the executive secretaries' statements was the need for greater national autonomy in the current international trade negotiations. That issue was closely linked to the complex issue of what the developing countries could contribute to the negotiations. Another message that had emerged was that the exponential growth in preferential bilateral agreements conflicted with the concept of multilateralism and undermined the most-favoured-nation (MFN) principle enshrined in the WTO agreements. He asked the executive secretaries to explain their position on the complicated agenda of the forthcoming Cancún Ministerial Conference and their expectations in that regard.

Mr. OCAMPO (Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC)), Panellist, said that the question of national autonomy - or the autonomy of regional groups - in terms of development policy was one of the key issues on the agenda, as was the question of the contradiction between multilateralism and the proliferation of bilateral agreements. Regional trade agreements constituted a major exception to the principles embodied in the MFN clause of the WTO agreements. A problem

had arisen because that exception was being used for purposes other than regional integration, for which it had been designed, calling into question the significance of the basic MFN principle. The international community should consider how many exceptions it wished to permit.

There was much concern in the international community that all of the key deadlines in the process of trade negotiations prior to the Cancún Confer nce had been missed and that, as a result, the participants would be placed under a significant amount of pressure to reach agreements in a very short period of time. It was important to bear in mind, however, that the trade negotiations were not due to be concluded until 2004, the Cancún Conference representing only one stage in a longer process, and that a typical feature of multilateral trade negotiations had always been that participants held their cards very close to their chests until the very last moment. Nevertheless, it was unfortunate that many developing countries had been unable to participate in the pre-ministerial conference negotiations.

Mr. KIM Hak-su (Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP)), Panellist, said that there were many subregional trade agreements in the Asia-Pacific region, which were considered to be building blocks towards global integration. However, the number of bilateral trade agreements had increased tremendously. It remained to be seen whether or not such agreements could also be building blocks towards global integration. He himself hoped that such agreements would facilitate, and not hinder, global trade.

Despite the pessimism about the Cancún Conference, he had also noted some cautious optimism among his colleagues in Geneva who saw the Conference as an opportunity to follow up the implementation of the Doha Development Agenda. The Conference was unique in that it would involve the full participation of the developed member countries. Many deadlines had been missed but he was hopeful that a skeleton work programme could be established in Cancún on which it would be possible to build. Even if it was not possible to produce any tangible conclusions or declarations, the Cancún Conference would, he was sure, form part of a worthwhile process.

Ms. TALLAWY (Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA)), Panellist, said that it was regrettable that the trade negotiation deadlines had not been met and that such little progress had been made in implementing the Doha Development Agenda. In view of those failures, she could understand the reluctance of certain parties to attend the Cancún Conference. It was to be hoped, however, that some progress would be possible in the weeks prior to the Conference, especially in view of the fact that the position of the developing countries had been made very clear. It would, perhaps, be wise to concentrate on a few key issues, such as the question of how consolidated the regional groups should be.

Regardless of what happened at Cancún, the process of trade negotiations had to continue. Its success depended on the political will of groups of States - and particularly developing countries - to promote economic integration among themselves.

Mrs. SCHMÖGNEROVA (Executive Secretary of the Economic Commission for Europe (ECE)), Panellist, said that the European Union had negotiated a number of free trade agreements, including free trade association agreements with applicant countries, partnership and cooperation agreements with the CIS countries and stabilization and association agreements with the countries of South-Eastern Europe. All those agreements had been designed to act as building blocks towards cooperation between the partners. To date, all of the agreements had, on the whole, yielded positive results. Of the regional trade agreements that existed within Europe, the Central European Free Trade Agreement (CEFTA) had been particularly successful. It had been created to strengthen regional trade links and to compensate for the loss of former trade links between the socialist countries.

Although all the CEFTA countries were members of the WTO, the accession of many CIS countries was still pending. Free trade or regional trade agreements were not a substitute for WTO membership. Instead, they were a driving force behind accession to the WTO and provided a useful learning experience for countries that were hoping to join the WTO at some future stage.

Mr. MWALWANDA (Economic Commission for Africa (ECA)), Panellist, said that the African countries had participated actively in the Doha negotiations on implementation-related issues and special and differential treatment. However, although some progress had been made, no decision had yet been reached. He wondered whether the Council supported the call for an "early harvest" in Cancún, whereby efforts would be made to agree on a limited number of provisions relating to those issues, thereby allowing the WTO to proceed to the next stage in the discussions.

Ms. REPETTI DE VARELA (Argentina) asked how the Latin American countries could hope to speed up their economic growth, given the current global slowdown and unfavourable conditions for access to the markets of the developed countries.

Mr. OCAMPO (Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC)), Panellist, said that, in the short term, the slow economic growth experienced by Latin American countries had been caused by the interruption of capital flows arising from the Asian financial crisis of 1998. It was thus essential to attract foreign investment, for instance through a system of guarantees. The problem was especially acute in Argentina, which had defaulted on debt repayments. Debts must be rescheduled, in line with the country's capacity to pay, so that normal repayments could begin again.

In the long term, the problem of slow economic growth in Latin America had been caused by a failure to translate export growth in the 1990s into an engine for growth in the economy as a whole. Market-opening measures had led to the destruction of many sectors, while export growth had remained limited to a handful of small sectors. Development policies must focus on achieving export growth in the major sectors, so as to kick-start the Latin American economies.

Mr. FRANCIS (Jamaica) said that the regional commissions, in collaboration with UNCTAD, had an important role to play in providing technical assistance to the developing countries on multilateral trade issues. So far, however, only ESCAP had begun to provide biannual training programmes of that kind. He asked whether the other regional commissions had plans to introduce more systematic training programmes concerning international trade

negotiations. It was very disturbing that the countries of the ECLAC region were failing to transfer productivity from successful exporting firms to the rest of the economy, and he asked for some guidance as to how that might be achieved.

Ms. TALLAWY (Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA)), Panellist, said that, in collaboration with UNCTAD and the WTO, ESCWA had been providing training courses on trade issues for the past three years, and was currently setting up an institute to monitor the evolution of trade.

Mr. KIM Hak-su (Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP)), Panellist, said that the training programme in his region had two major components, involving the assistance of the WTO, on the one hand, and UNCTAD, on the other.

Mrs. SCHMÖGNEROVA (Executive Secretary of the Economic Commission for Europe (ECE)), Panellist, said that ECE did not provide such training programmes, because it had no mandate for trade negotiations. Nevertheless, it did provide considerable technical assistance on trade facilitation, including capacity-building, the elimination of non-tariff barriers and the harmonization of standards.

Mr. MWALWANDA (Economic Commission for Africa (ECA)), Panellist, said that huge efforts had been made in his region to organize capacity-building workshops related to multilateral trade negotiations. An African trade policy centre had also been established to provide training on long-term action to overcome trade constraints and the mainstreaming of trade into the development process.

Mr. OCAMPO (Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC)), Panellist, said that, in collaboration with UNCTAD, ECLAC had launched a technical assistance programme in 2003, which it hoped to continue in the future. It had also made trade promotion the central theme for its next development meeting. It was carrying out a major analysis of relevant policies and experiences and incorporating statistics from outside the manufacturing sector, in areas such as tourism and service industries, with a view to formulating more successful development strategies.

Ms. BENAVIDES COTES (Observer for Colombia) asked how migration had been integrated into the development strategies of the regional commissions.

Mr. OCAMPO (Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC)), Panellist, said that international migration was a major phenomenon in his region, particularly from the countries closest to the United States of America, and was likely to grow further, in view of the current imbalances between the developing and developed countries in terms of technology, macroeconomic factors and capital flows. There was consequently a pressing need for an international consensus on how to deal with migration.

For developing countries, particularly since the economic crisis of 1998, migrant workers living abroad were an important source of foreign currency. On the other hand, the flight of human resources had serious implications in some areas, such as parts of the Caribbean, where there was a shortage of teachers, nurses and other workers. Mechanisms should be established to limit migration from those areas.

The issue of migrant workers' rights should also be addressed through bilateral or multilateral agreements. In particular, agreements should ensure mutual recognition of professional qualifications and work experience, as well as adequate social security arrangements. Developing countries also expected the services agreements concluded during the Doha Round of trade negotiations to be extended to provide greater mobility for migrant workers in the construction and tourist industries.

Mr. KIM Hak-su (Executive Secretary of the Economic and Social Commission for Asia and the Pacific (ESCAP)), Panellist, said that, in his region, migration consisted mainly of people moving from rural to urban areas. Over the next 20 years, the proportion of people living in urban areas was expected to rise from 37 to 53 per cent. International migration tended to create labour-exporting countries, such as the Philippines, and labour-importing ones, such as Japan and the Republic of Korea. The former tended to benefit through the transfer of foreign currency, while the latter benefited from the migrant labour.

Mrs. SCHMÖGNEROVA (Executive Secretary of the Economic Commission for Europe (ECE)), Panellist, said that labour should be allocated as efficiently as possible, which meant that it should be geographically mobile. However, even within the European Union, where the principle of free movement had been enshrined in law, there were still many barriers to the most efficient allocation of labour. Labour mobility was largely motivated by the differences from one area to another in wages, unemployment benefits, social security and health care. There were growing efforts to introduce greater harmonization at the regional level. It was particularly important to ensure that pension schemes were transferable from country to country. Labour mobility made an important contribution to the quality of the labour force, for instance by helping to overcome the problem of an ageing population. On the other hand, there were potential difficulties for labour-exporting countries, such as the brain drain and the impact on tax receipts.

Mr. MWALWANDA (Economic Commission for Africa (ECA)), Panellist, said that the main reason for internal migration in Africa was the inability of people living in rural areas to earn a decent living through agriculture, which sent them in search of greater opportunities in the urban areas. It was essential therefore that the developed countries should abolish the trade-distorting agricultural subsidies that had such a negative impact on African farmers. The major challenge for his continent was how to engineer a green revolution. At the regional level, richer countries, like South Africa, attracted a huge influx of migrant labour from the neighbouring countries.

Ms. TALLAWY (Executive Secretary of the Economic and Social Commission for Western Asia (ESCWA)), Panellist, said that the oil boom of the 1970s had attracted large numbers of migrant workers to the Gulf from the surrounding areas. However, the concentration of foreign investment in oil and gas projects meant that few opportunities existed for young people in other sectors. In future, migration should be analysed more closely in relation to trade, investment and globalization. Xenophobia and the mistreatment of migrant workers should be addressed as matters of priority.

COORDINATION, PROGRAMME AND OTHER QUESTIONS: (agenda item 7) (continued)

(h) AD HOC ADVISORY GROUP ON AFRICAN COUNTRIES EMERGING FROM CONFLICT (continued) (E/2002/86; E/2003/8; E/2003/L.22, 23 and 34)

Mr. BENMELLOUK (Observer for Morocco), speaking on behalf of the Group of 77 and China, said that the Group fully supported Guinea-Bissau's efforts to re-establish peace and promote its economic and social development. However, without the assistance of the international community and particularly that of donors and the international financial institutions, its task would be immeasurably more difficult. Nevertheless, the authorities in Guinea-Bissau should endeavour to establish a domestic climate conducive to peace and development.

The Ad Hoc Advisory Group on Guinea-Bissau had made sterling efforts to mobilize the necessary political will in support of the national authorities of the country, and its recommendations should be followed up. The various funds that had been set up to promote economic assistance to Guinea-Bissau and the conduct of elections should be generously supported by donors, but it should be remembered that economic and humanitarian assistance must always be provided in accordance with the principles of neutrality and impartiality. The granting or withholding of assistance should never be used to influence a country's political or economic choices. Desirous that the Ad Hoc Advisory Group should continue its good work, the Group of 77 and China wished therefore to introduce a draft resolution (E/2003/L.23) which provided for an extension of its mandate to January 2004 and called upon United Nations funds, programmes, specialized agencies and the Bretton Woods institutions to support the Advisory Group's endeavours.

The proposal to establish a similar ad hoc advisory group for Burundi was most opportune. It was clear that Burundi was in urgent need of economic and financial assistance, and recent political developments indicated that the country was seriously committed to restoring peace and stability. As a demonstration of its intent, the Government of Burundi had recently concluded agreements with the International Monetary Fund (IMF) and the World Bank. Following the establishment of transitional institutions and the continual deployment of efforts to

strengthen peace, Burundi had met the necessary conditions for receiving donor support. For its part, the international community must realize that a decisive financial contribution at the current time would set the seal on the progress that had already been made.

The Group of 77 and China welcomed the convening of a donor round table in September 2003, which would bring together the Government, the United Nations Development Programme (UNDP) and the major donors. Again, it was vital to ensure that assistance was offered without strings.

To ensure the future success of the ad hoc advisory group mechanism as a tool for kick-starting post-conflict reconstruction and long-term sustainable development, the Group of 77 and China wished to introduce a draft resolution (E/2003/L.22) which among other things reiterated the need to assess the lessons learned from the initial experience of such advisory groups.

Mr. BRUNI (Italy), speaking on behalf of the European Union, the acceding countries of Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia and the associated countries of Bulgaria, Romania and Turkey, said that ad hoc advisory groups were a valuable and innovative mechanism for addressing the multiple needs of African countries emerging from conflict situations, and the Union fully supported their work in close collaboration with the Security Council and the international financial institutions.

That being said, the Union was gravely concerned by the continuing political, social and economic instability in Guinea-Bissau, and especially the stalling of the constitutional and electoral process. The authorities there should take all necessary steps to organize the forthcoming elections in a democratic manner and in accordance with internationally recognized legal procedures and principles. Any efforts by the international community to promote sustainable development must be met by clear and tangible commitments by Guinea-Bissau concerning good governance and the rule of law.

The Union was in favour of prolonging the mandate of the Ad Hoc Working Group on Guinea-Bissau and drawing appropriate lessons from its experience that could be usefully transferred to the proposed ad hoc working group on Burundi. The Union considered Burundi to be an important test of the international community's ability to address post-conflict situations,

and any efforts deployed there would have positive repercussions for the Great Lakes region as a whole. Any resumption of hostilities in Burundi, however, would undoubtedly set back the cause of peace and development. As a major humanitarian donor to Burundi, the Union urged the Transitional Government to tackle the rehabilitation and development issues facing the country and looked forward to participating in the donor round table to be organized by UNDP.

Mr. MANIS (Observer for Sudan), having associated his delegation with the statement made by the observer for Morocco on behalf of the Group of 77 and China, said that his Government supported the work of the Ad Hoc Advisory Group on Guinea-Bissau and endorsed the proposal that a similar advisory group be established for Burundi, a country that had been ravaged economically, socially and institutionally by warfare. In establishing such ad hoc advisory groups, the Council would be giving effect to the resolution recently adopted in its humanitarian segment, wherein the international community had been urged to assist those least developed countries afflicted by natural and man-made disasters. The forthcoming donor round table organized by UNDP deserved wide support. In the light of its own experience, his Government urged the international community to ignore the words and actions of minority groups that sought to wreck peace initiatives, whether in Burundi or elsewhere.

Mr. WADA (Japan) said that his Government had always sought to improve the security situation in Africa as a means of promoting sustainable development, and had accordingly organized a number of conferences on that very theme. His delegation supported the proposal to establish an ad hoc advisory group on Burundi and would be willing to participate therein.

Mr. NEBENZIA (Russian Federation) said that ad hoc advisory groups were useful tools that enabled the Council to play an effective role in post-conflict situations and the prevention of further hostilities through a convergence of international efforts to re-establish normality, meet a country's most urgent needs and ensure long-term sustainable development. The Ad Hoc Advisory Group on Guinea-Bissau had pioneered a new partnership between the Economic and Social Council and the Security Council. His Government agreed with the latter's contention that political stability was a sine qua non for implementing the economic recommendations of the Ad Hoc Advisory Group, which were addressed to the donor community. It was also important to ensure a two-way feedback between the Councils.

His delegation especially appreciated the Ad Hoc Advisory Group's remarks on the need to establish special mechanisms to attract inward investment to countries where the situation would normally be regarded as too risky by international financial institutions and the donor community. His delegation supported the proposal to establish a similar advisory group for Burundi, and trusted that the lessons learned from Guinea-Bissau could be profitably transferred to it.

Mr. ROSENTHAL (Guatemala), introducing the draft resolution on the Ad Hoc Advisory Group on Burundi (E/2003/L.34), said that the phrase "organized by the United Nations Development Programme" in the sixth preambular paragraph should be replaced by the phrase "in collaboration with the United Nations Development Programme". Notwithstanding the recent upsurge in fighting, Burundi was basically committed to peace and merited the support of the international community.

Mr. da FONSECA (Observer for Cape Verde) said that his delegation appreciated the financial contributions and moral support offered by the international community to the people of Guinea-Bissau, a commitment that was reflected in the work of the Ad Hoc Advisory Group on Guinea-Bissau. For their part, the authorities in Guinea-Bissau had a duty to behave responsibly and promote good governance. It was to be hoped that the valuable lessons learned in that country could also be applied in Burundi.

Mr. KHAN (Director of the Division for Economic and Social Council Support and Coordination) said that the draft resolution had no programme budget implications.

The meeting rose at 1.10 p.m.